

Extend the First Time Homebuyer Tax Credit

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Like many parts of the country, the Kansas housing market has struggled along with our nation's economy. One important tool that has strengthened the housing market and boosted our economic recovery has been the \$8,000 first time homebuyer tax credit. However, unless Congress takes action soon, this valuable credit will expire on November 30th. I come to the House floor today with a message for my colleagues and the leaders of this body: Congress must act quickly to renew the First Time Homebuyer Tax Credit.

A realtor from Manhattan, Kansas, wrote me recently about the importance the home buyer tax credit. Noting how the credit has been "extremely helpful" to the Kansas economy, she says, "During these challenging economic times, the first time homebuyer tax credit has injected new life into the housing market and helped stimulate many local economies through stabilization in housing prices. However, our housing market remains fragile and more progress is needed to further stabilize our communities."

The homebuyer tax credit works. Since enactment in February, the IRS has reported that more than 1.4 million taxpayers have claimed a homebuyer credit. This incentive will lead 400,000 prospective first time homebuyers to purchase homes who otherwise would not have without the credit. Moreover, it is estimated that each sale generates \$63,000 in additional goods and services that benefit communities.

Along with falling home prices, the homebuyer credit has helped put the housing market on the track to recovery. But while market conditions have improved, the housing market remains fragile. The housing tax credit needs to be extended to make sure the economic gains that have been made aren't lost. And in order to build on that economic progress, the tax credit should be expanded. I have introduced H.R. 2905, the Homebuyer Tax Credit Expansion Act of 2009, which would extend the \$8,000 tax credit beyond its November 30 expiration. In addition, this legislation would expand the tax credit to all home buyers, not just first-time home buyers.

I have asked the Speaker of the House and the Chairman of the Ways & Means Committee to bring this bill or similar legislation to the floor for a vote. At the very least, Congress should pass a one year extension of the credit before it expires. Because it can take several months to go from contract to closing, the tax credit will soon become unavailable to many buyers well before the November 30th expiration date. An extension must be passed soon if homebuyers are to continue to take advantage of the credit.

Homeownership and the knowledge that one has equity in their home can significantly improve our economy. We should not allow this important tax credit to expire. Congress must act now to renew the First Time Homebuyer Tax Credit.